



True System Designers, Limited

2009 Report to Stakeholders

On behalf of the Principals of True System Designers, Limited (TRUSYS) I am pleased to publish our 2009 Report to Stakeholders. Though we are a privately held firm and will keep our actual numbers confidential, our shareholders felt that we owe our clients, suppliers and various business associates a report highlighting how TRUSYS performed in 2009.

Financial Results

TRUSYS revenue grew in excess of 140% in 2009. Our TRUSYS budget model is relatively simple: spend no more than 60% of revenue on production costs, no more than 20% on General and Administrative expenses, and no more than 10% on Sales & Marketing to achieve net income of at least 10% of revenue.

For 2009, our production costs came in at 59.6% of revenue. General and Administrative expenses totalled 26.1% of our revenue reflecting that we invested into our internal systems ahead of the high revenue growth anticipated for 2010. Sales & Marketing costs were only 3.7% of revenue - we are fortunate that most of our business comes from referrals. Our net income ended up at 10.6% of our revenue.

Throughout the year, TRUSYS maintained a current assets ratio close to 4. Due to the quality of our clients we did not have to write off any receivables. Our retained earnings and equity grew in line with our revenue growth. One of challenges for 2009 was to fund internally our 145% growth which required an increase in working capital in excess of 10% monthly. This required frugal discipline in our spending. TRUSYS accomplished this growth without increasing its credit line or requiring additional investments from its shareholders.

TRUSYS' financial outlook for 2010 is promising. We anticipate more than doubling our revenue. At the end of January 2010, we have already invoiced or secured orders in excess of 12% of our 2010 goal, equivalent to over 25% of our total 2009 revenue. We expect our current assets ratio to remain strong in 2010 as TRUSYS plans to continue funding its growth internally.

Corporate Development

TRUSYS established in 2009 a policy of not being involved in the distribution of hardware or software. We sell business resilience knowledge and only business resilience knowledge. We have to remain impartial to serve our clients properly. Our clients have clearly indicated that they want us to continue on this path.

In 2009, we clarified our four core strengths centered on the delivery of business resilience knowledge: Risk-Safety-Emergency-Crisis (R-SEC) planning, 3D Designs, Building Information Modeling (BIM), and Project Delivery Processes.



In 2008 we had developed advanced 2D and 3D CAD practices to communicate better the details of our security designs. In 2009 we added a fourth dimension to our design process by linking device data in our CAD files in order to support Facility Management processes. This was the foundation for TRUSYS to become the first security design firm to offer BIM compliant data files to Architects and Engineers.

We built our project management practice under the direction of an MBA and Project Management Professional (PMP), Mr. Jeff Baker. Under his direction we acquired software that integrates our CRM, Project Management and accounting systems to better handle our anticipated growth. This ensures that our commitments to our clients are tracked, managed and reported in ways conform to the practices recommended by the Project Management Institute (PMI).

Meanwhile we acquired solid Life Safety expertise when Miller Consulting Group from Portland Oregon merged the firm in the summer. And a few months later, Fairhaven International LLC, experts in R-SEC planning, also merged TRUSYS. The firms joined forces because of a common focus on where we want to take this industry. It became clear in 2009 that our clients want more strategic planning and a greater level of detail in technology design, and that we needed to be equipped to serve them better. We anticipate significant growth in this area in 2010.

As we provide knowledge and expertise to our clients, we aim to be thought leaders in business resilience. To that effect our Principals have delivered a number of presentations to various security audiences in 2009. We expect this trend to expand in 2010 in all our areas of expertise. Several speaking engagements have been confirmed for 2010 and our firm is now accredited for training credits with the American Institute of Architects (AIA).

Attracting and retaining excellent people is critical for the long term success of a knowledge based firm like TRUSYS. We are thankful for the new people who joined us in 2009. We expect to double our headcount in 2010. TRUSYS is committed to the quality of the work experience for our employees. Under the 2009 TRUSYS compensation plan, all employees have an opportunity to become shareholders if they meet specific performance and seniority criteria.

2010 Outlook

We are forecasting for solid growth and financial results in 2010 and have planned for the challenges of doubling our size. We will have continued refinements to our processes, our human resources policies and to the value we deliver to our clients. In 2010 we plan to better integrate the operations of TRUSYS India, and we plan to open a subsidiary in Canada as well as the Netherlands.

We work in a fascinating industry where technology advances keep making better designs possible and allow us to consider innovative ways to deliver business resilience, Fire/Life safety and secure network infrastructure. Here are some of the industry developments we anticipate:

- Balancing security and privacy protection will be a challenging paradox our industry will face as we deploy more devices and new technologies. R-SEC policy will be changed by the growing body of privacy regulations.
- Building on the Data from 3D CAD and BIM, incident simulations and analysis will appear using video game technologies.
- Middleware tools like UICDS will start to influence security designs to ensure seamless integration of all security devices in coherent systems.
- Augmented Reality tools will mature and be deployed in the field as well as in Emergency, Crisis and Security operations centers.
- Building Information Modeling will grow significantly and it will become a requirement for the majority of new construction projects.
- Integrated Project Delivery (IPD) will be a standard.
- Business resilience technology will become part of green buildings, first by offering more power efficient (or self powering) devices and secondly by providing operational data to optimize the energy performance of buildings.
- Mobile devices will expand as critical tools for business resilience from providing incident data to responders, to real-time interfaces to the global assets of a resilient enterprise.
- Video-analytics will continue to improve and deliver a higher level of preventative and incident intelligence, moving from the primary forensic use of imagery today.
- More security devices will become IP addressable making secure network design a higher value component of security designs and making business resilience part of the backbone network infrastructure.
- The use of Geographical and Spatial Information Systems will expand and incorporate BIM, real-time internal and external sources of data, and provide a new graphical interface for ensuring business resilience.

TRUSYS personnel will be tracking these trends in 2010 as we improve our designs and deliverables. We look forward to another year working with our clients, suppliers, and business associates to deliver the best business resilience possible.

On behalf of the TRUSYS Principals,

Ryan Taylor,
CEO
True System Designers, Limited
Seattle, February 2010

For more information see www.trusys.com, call 1-800-905-6810 or email info@trusys.com